

Corporate Information

Board of Directors

Jaykumar K. Pathare	Chairman
L Jaipal Reddy	Managing Director (Upto 17 th July, 2008)
Sunil J. Pathare	Vice Chairman & Managing Director (From 17 th July, 2008)
Kapil J. Pathare	Whole Time Director
L.Vinay Reddy	Director (Upto 30 th June, 2008)
R Anand	Director
Dr. Arvind Kulkarni	Director
Durgesh Chandra	Director
Gopal Sehjpal	Director
Chetan Sheth	Director
Robin Banerjee	Director
Manish Chhajed	Additional Director . (From 19 th May, 2009)
Deepak Maheshwari	Director (upto 19 th May, 2009)

Vice President Finance & Company Secretary

R. Venkataraman

Auditors

Attar & Company
Chartered Accountants

Bankers

1. State Bank of India.
2. Barclays Bank.

Plant Location

Spinning Mills	: Kollapalur Village, Gobichettipalayam, Erode, Tamil Nadu - 638456
Processing House	: 13-15, SIPCOT, Perundurai, Erode, Tamil Nadu - 638052 C 119, TTC Industrial Area, MIDC, Pawane Village, Navi Mumbai, Maharashtra - 400703
Stitching Units	: 92, New GIDC, Umbergaon, Gujarat - 396171 : SF-125/126/127, Appachimarmadam, Thingalur, Erode, Tamil Nadu - 638055
Elastic Manufacturing Unit	: 104, SIDCO, Mudalipalayam, Tirupur, Tamil Nadu - 641606
Socks Manufacturing Unit	: D-20, Okhla Industrial Area, Phase 1, New Delhi - 110020

Registered Office

C-6, Road No.22, MIDC,
Andheri (East),
Mumbai 400 093.
Phone : + 91 22 28257624/27/33,40209000
Fax : + 91 22 28371023/24
E-mail : investor.relations@viporg.com
Website: http://www.maxwell.in

Registrars & Transfer Agents

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills
Compound, L. B. S. Marg,
Bhandup (West),
Mumbai 400 078.
Phone : + 91 22 25963838
Fax : + 91 22 25946969
Email : mt.helpdesk@linkintime.co.in

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19TH ANNUAL GENERAL MEETING

Day	: Thursday
Date	: 20 th August, 2009
Time	: 11.00 a.m
Venue	: The All India Plastics Manufacturers' Association Auditorium, Plot No. A-52 Road 1, Marol, Andheri (East), Mumbai - 400093

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Maxwell Industries Limited, will be held on Thursday, 20th August, 2009 at 11.00 a.m. at “**The All India Plastic Manufacturers' Auditorium**”, Plot No. A- 52, Road No.1, MIDC, Marol, Mumbai 400 093 to transact the following business;

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March 2009, the Profit & Loss Account for the year ended on that date, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Redeemable Preference Shares.
3. To declare dividend on Equity Shares.
4. To resolve not to fill the vacancy, for the time being, caused by the retirement of Mr. R. Anand, who retires by rotation and does not seek re- appointment due to advanced age and health reason.
5. To resolve not to fill the vacancy, for the time being, caused by the retirement of Mr. Durgesh Chandra, who retires by rotation and does not seek re-appointment, due to advanced age and health reason.
6. To appoint a Director in place of Mr. Robin Banerjee, who retires by rotation and being eligible, offers himself for re-appointment.
7. To re-appoint Messrs Attar & Co., Chartered Accountants, as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

8. To consider and if thought fit, to pass, with or without modification(s) the following Resolution, as an Ordinary Resolution:
“**RESOLVED THAT** Mr.Manish Chhajed, who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice under Section 257 of the Companies Act 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed, as a Director of the Company, subject to retirement by rotation under the Articles of Association of the Company.”

Place : Mumbai
Date : 30th June, 2009

Registered Office :
C-6, Road No. 22,
MIDC, Andheri (East),
Mumbai - 400093.

By order of the Board of Directors
For Maxwell Industries Limited

R. Venkataraman
Vice President Finance &
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Proxy form duly completed, must reach the Registered Office of the Company, not later than forty eight hours before the time appointed for holding the meeting.
3. The Register of members and the share transfer books of the Company, will remain closed from 13th August, 2009 to 20th August, 2009 (both days inclusive).
4. The Company will be transferring the unclaimed dividend for the financial year ended on 31st March,2002 on or before 22nd October, 2009. The members can claim the said dividend on or before 22nd September, 2009 being the last date for claiming the unpaid dividend for the financial year 31st March, 2002. The Company has transferred, the unclaimed dividend upto the financial year 31st March, 2001 to the Investors Education and Protection Fund (IEPF) of the Central Government. The Members who have not claimed their dividend for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 interim & final dividend of 2006-07 and 2007-08 are requested to claim it from the Company immediately.
5. Members are requested to notify any change in their address, to the Company at its Registered Office or to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai - 400 078.

6. Members desirous of obtaining any information, concerning accounts of the Company are requested to address their queries, to the Company Secretary, atleast seven days before the date of the meeting, to enable the information required to be made available at the meeting to the extent possible.
7. Members may be aware, that the Equity Shares of the Company have been subdivided from one equity share of Rs. 10/- each to 5 equity shares of Rs. 2/- each, in terms of Resolution passed by the Shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 1st February, 2006. The Members who are yet holding their share certificate of Rs. 10/- each of the Company need to exchange the same with new equity shares of R s.2/- each by sending the same to the Company's Registrar & Transfer Agent, M/s. Link Intime India Private Limited, since the old share certificates of Rs. 10/- each are no longer tradable.
8. Members/proxies are requested to bring the attendance slip duly filled in for attending the Meeting and copy of the Annual Report 2008-09.

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

Item No. 8

Mr. Manish Chhajed, representative of M/s.Reliance Capital Partners, who was appointed as an Additional Director of the Company w.e.f 19th May, 2009 (In terms of share subscription and shareholders agreement entered by the Company, on 19th May,2006) and holds the office upto the date of 19th Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company. Notice under Section 257 of the said Act, has been received from a member, along with a deposit of Rs. 500/- signifying his intention to propose the name of Mr. Manish Chhajed, for appointment as a Director of the Company. Mr. Manish Chhajed, has already filed his consent, to act as a Director, with the Company.

Mr. Manish Chhajed aged 31 years, is a part of the Private Equity team at M/s. Reliance Capital Partners. He is an Electronics Engineer from NIT Hamirpur and MBA from IIM Ahmedabad. He has a cumulative experience of 8 years out of which 6 years has been in Venture Capital and Private Equity and 2 years as Scientist. He has worked with M/s. Temasek Holdings and M/s.Vertex Management in Singapore and DRDO in India.

The Resolution as set out in item No. 8 of the Notice, will be placed before the meeting, for the approval of the members.

Your Directors recommended, approval of the proposed resolution by the Members. None of the Directors of the Company, except Mr. Manish Chhajed, is interested in this resolution.

Place : Mumbai
Date : 30th June, 2009

By order of the Board of Directors
For Maxwell Industries Limited

Registered Office :
C-6, Road No. 22,
MIDC, Andheri (East),
Mumbai - 400093.

R. Venkataraman
Vice President Finance &
Company Secretary

Details of Directors seeking appointment & reappointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr.Robin Banerjee	Mr.Manish Chhajed
Date of Birth	20 th August, 1955	14 th June, 1978
Date of appointment	28.07.2006	19.05.2009
Qualification	M.com, FCA, ACS, ACWA	Electronics Engineer, MBA
Shareholding in Maxwell Industries Limited	-	-
List of Directorship in other Companies	-	Su-Kam Power Systems Limited BLR India Private Limited

FINANCIAL HIGHLIGHTS

(Rupees in Lakhs) Except ratio and face value of shares.

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
Equity Share capital	1262	1262	1262	1078	616	616	616	616	616	616
Redeemable Pref shares Capital	2435	2435	2435	2435	-	-	-	-	-	-
Convertible Pref Shares Capital	-	-	1600	-	-	-	-	-	-	-
Reserves & Surplus	7143	6934	6505	3516	3337	3185	3166	3065	3718	3470
Misc. exp. not written off	38	61	109	87	73	106	17	32	46	108
Net Worth	8367	8135	7658	4507	3880	3695	3765	3649	4288	3978
Long term Debts	2259	3291	1323	2027	1578	1518	1146	1182	1064	3218
Net Asset Block	7928	8295	5628	5379	2329	2667	3103	3490	3937	4209
Total Income	19818	20780	19485	17534	18006	16302	16333	16390	17561	16785
Profit before tax	1102	1584	1385	1451	246	310	251	328	346	329
Taxation	394	578	482	547	90	106	101	116	30	38
Profit after tax	708	1006	903	904	156	204	150	212	316	290
Dividend Rate on										
Equity share	20.00%	22.50%	20.00%	15.00%	5.00%	5.00%	8.00%	10.00%	10.00%	15.00%
Redeemable Pref. shares	5.00%	5.00%	5.00%	5.00%	-	-	-	-	-	-
OCPS	-	10.00%	10.00%	-	-	-	-	-	-	-
No of Equity Shares (in lakhs)	630.77	630.77	630.77	539*	61.6	61.6	61.6	61.6	61.6	61.6
Face value of Share-Equity (Rs.)	2	2	2	2	10	10	10	10	10	10
Preference (Rs.)	100	100	100	100	-	-	-	-	-	-
Earning per share (Rs.)	0.80	1.21	0.94	1.54	3.05	0.87	2.55	3.45	5.13	4.71
Book value per share (Rs.)	13.26	12.90	12.14	8.36	62.99	59.98	61.12	59.24	69.61	64.58
Current Ratio	1.77	1.79	1.95	1.55	1.58	1.55	1.51	1.49	1.47	1.57
Debt equity Ratio	0.27	0.40	0.17	0.45	0.41	0.41	0.30	0.32	0.25	0.81

* Split-up of equity shares from Rs. 10/- each to Rs. 2/- each and issue of bonus shares.

DIRECTORS' REPORT

To,

**THE MEMBERS
MAXWELL INDUSTRIES LTD.**

The Directors of your Company, are pleased to present, the 19th Annual Report, on the working and the progress of the Company, along with audited accounts, for the year ended on 31st March, 2009 and Report of the Auditors thereon.

FINANCIAL RESULTS

(Rupees in Lakhs)

	Current Year Ended 31/03/2009	Previous Year Ended 31/03/2008
Profit before Interest, Depreciation & Income Tax	2374.12	2580.90
Less : Interest	829.20	587.88
Less : Depreciation	442.84	408.59
Profit before tax	1102.08	1584.43
(Less) : Provision for income tax - Current & FBT	335.43	371.90
(Less): Provision for income tax - Deferred	(58.16)	(206.16)
Profit after tax	708.49	1006.37
(Add / Less) : Tax adjustment for previous year	(61.64)	16.37
Profits for the year	646.85	1022.74

DIVIDEND

(Rupees in Lakhs)

	Current Year Ended 31/03/2009	Previous Year Ended 31/03/2008
5% Redeemable Preference Shares	121.75	121.75
10% Optionally Convertible Preference shares (redeemed)	0.00	101.70
Equity Dividend	252.31	283.85

The Directors have recommended a dividend of 20% on Equity Shares (0.40 paise per Equity Share of Rs. 2/- each) and 5% on Redeemable Preference Shares (Rs.5/- per share of Rs.100/- each) for the financial year ended on 31st March, 2009. The Dividend of Rs.374.06 lakhs along with dividend distribution tax of Rs.63.59 lakhs will absorb Rs.437.65 lakhs .

OPERATIONS

During the year, your Company has achieved sales of Rs.191.89 crores, as against Rs.205.59 crores in the previous year. Sales for hosiery business was Rs.185.51 crores against Rs.181.07 crores in the previous year representing an increase of 2.45 % over the previous year. The sales of the Spinning Division is Rs.24.90 crores as against Rs.40.06 crores in the previous year. The low performance of the spinning division has drastically affected the turnover of your Company.

1. Hosiery Division : - Hosiery Division of the Company continued to grow despite the tough market condition and the back drop of economic slowdown. The Company's focus has been always to provide comfortable inner garments and to provide value for money to the customers. The Company's Thingalur factory operations has stabilized. The operations in Umbergoan and Kolkata Continue to progress well.
2. Spinning Division: - The production of yarn, at the Spinning mill was substantially reduced to 1781.28 tons in the current year as compared to 3261.23 tons in the previous year. The lower production was on account of acute power cut in the state of Tamil Nadu where the spinning mill is located resulting in decreased net sales of spinning division by 37.83 % as compared to the previous year. As spinning mill is a power intensive industry, use of alternative source of power was not a viable proposition. The average power cut was over 50%.

Maxwell Industries Ltd.

EXPANSION AND DIVERSIFICATION

Your Company is planning to set up a knitting unit in Daman, to meet the requirement of knitted Fabric for the Company. Presently, the knitted fabric required for the manufacture of Company's products are being woven at third party facilities. The said knitting unit apart from bringing in operational efficiencies, through better quality, will help your Company to reduce the processing time.

FIXED DEPOSIT

Your Company did not accept, any fixed deposits, from public during the year.

DIRECTORS

Mr.L.Jaipal Reddy, Co-founder/promoter and Managing Director of Maxwell Industries Limited along with other Members of Reddy family have diluted/sold their stake in the Maxwell Industries Limited to their Co-promoter Mr. Jaykumar Pathare and Members of Pathare family. Mr.Jaipal Reddy, Managing Director of the Company and Mr. L. Vinay Reddy, Director have resigned from the office of directorship with effect from 17th July, 2008 and 30th June, 2008 respectively.

Your Directors would like to place on record their sincere thanks and appreciation for valuable guidance and contribution made by Mr.Jaipal Reddy and Mr. L. Vinay Reddy during their tenure as a Managing Director and Director of the Company.

Mr.R. Anand & Mr.Durgesh Chandra, Directors of the Company retires by rotation at the ensuing Annual General Meeting. They have expressed their desire not to consider them for re-appointment due to advanced age and health reason. In view of this Mr.R. Anand & Mr. Durgesh Chandra will cease to be Directors of the Company at the ensuing Annual General Meeting. Your Directors would like to place on record their sincere thanks and appreciation for valuable guidance and contribution made by them during their tenure as a Director of the Company.

Mr.Robin Banerjee, Director of the Company, retire by rotation and being eligible, offer himself for re-appointment.

Mr.Deepak Maheshwari, Director, representing M/s.Reliance Capital Partners, has resigned from the office of Directorship with effect from 19th May, 2009 and Mr.Manish Chhajer was inducted in his place, as an Additional Director with effect from 19th May, 2009, to hold the office till the date of 19th Annual General Meeting. A notice proposing his candidature for the office, of a Director, has been received from a member along with the necessary deposit pursuant to Section 257 of the Companies Act, 1956.

Mr.Manish Chhajer aged 31 years, is a part of the Private Equity team at M/s. Reliance Capital Partners. He is an Electronics Engineer from NIT Hamirpur and MBA from IIM Ahmedabad. He has a cumulative experience of 8 years out of which 6 years has been in Venture Capital and Private Equity and 2 years as Scientist. He has worked with M/s.Temasek Holdings and M/s. Vertex Management in Singapore and DRDO in India.

Your Directors recommend, the appointment of Mr.Manish Chhajer as a Director on the Board, for the approval of members.

AUDITORS

M/s Attar & Company, Chartered Accountants, holds office as auditors of the Company until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

PERSONNEL

The relations with employees continued to be cordial through out the year. Various initiatives in training program which included in house as well as external training were carried out to enhance managerial and technical skills. Your Directors placed on record the appreciation, efforts and dedication of the employees in supporting the various initiatives of the Company.

Information Pursuant to Section 217 of the Companies Act, 1956.

Energy conservation, Technology absorption, Foreign Exchange Earnings & Outgo.

The information required to be disclosed under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, with respect to conservation of energy, technology absorption, foreign exchange earnings / outgo, are set out in the Annexure-A to this report.

Particulars of Employees:

The Information required to be disclosed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are set out in the Annexure-B to this report.

DIRECTORS' RESPONSIBILITY

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2002 the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Appropriate accounting principles have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profits of the Company for the period ended on 31st March, 2009
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on going concern basis.

CORPORATE GOVERNANCE

The Company is committed to maintain highest standards of Corporate Governance. The Securities and Exchange Board of India (SEBI) has introduced a code of Corporate Governance for listed companies which are implemented through the Listing Agreement with the Stock Exchanges, in which the Company's shares are listed. A separate report on Corporate Governance form a part of the Annual Report.

ACKNOWLEDGMENT

The Directors of your Company acknowledge with deep sense of appreciation the encouragement, support and co-operation received by the Company from its Bankers, Bombay Stock Exchange Limited, National Stock Exchange of India Limited, shareholders, suppliers and esteemed customers of the Company.

CAUTIONARY STATEMENT

Statement made in the Annual Report including those stated under the caption "Management Discussion and Analysis" describing the Company's plan, projections and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

Place : Mumbai
Date : 30th June, 2009

For and on behalf of the Board

Registered Office :
C-6, Road No. 22,
MIDC, Andheri (East),
Mumbai - 400093.

J.K. Pathare
(Chairman)

ANNEXURE TO DIRECTORS REPORT**ANNEXURE-A****INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.****A) CONSERVATION OF ENERGY**

- The products manufactured and sold by the Company, other than yarn are not power intensive, hence the impact on overall cost is marginal. However, steps have been taken to ensure energy conservation in the processing unit where an energy efficient boiler is installed and condensate is being re-utilised.
- Additional investments and proposals for reduction of energy consumption: NIL
- Total energy consumption and energy consumption per unit of production as per FORM A of the Annexure in respect of Industries specified in scheme thereto:

Year	Units Consumed		Units Consumed per kg. of Production	
	Spinning	Hosiery	Spinning	Hosiery
Current year	76.93 lakhs	22.72 lakhs	4.32	0.43
Previous year	134.49 lakhs	17.09 lakhs	4.17	0.48

B) TECHNOLOGY ABSORPTION

Efforts are made in technology absorption as per Form B: Not applicable.

C) FOREIGN EXCHANGE EARNINGS AND OUTGOING

The Company has earned Rs.1405.33 lacs (Previous year Rs. 2054.91 lacs) from exports during the year. The total amount of outgo on account of foreign exchange utilised by the Company amounting to Rs.1333.85 lakhs (Previous year Rs.951.60 lakhs), mainly on account of import of stores and spares, principal and interest on foreign currency loan, foreign travel, commission and Bank charges.

ANNEXURE - B

Information under section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 and forming part of the Directors Report for the year ended on 31st March, 2009.

- A) Employed through out the financial year under review and in receipt of remuneration for the financial year in aggregate of not less than Rs. 24.00 lacs p.a.
- B) Employed for part of the financial year under review and were in receipt of remuneration for the financial year in aggregate of not less than Rs. 2.00 lacs per month.

1.	Name	Jaykumar Pathare	L. Jaipal Reddy *	Sunil J. Pathare**
2.	Age	73 Years	70 Years	38 Years
3.	Qualification	Electrical Engineering	Electrical Engineering	B. Com
4.	Designation	Chairman & Whole time Director	Managing Director	Vice- Chairman & Managing Director
5.	Date of commencement of employment	14.01.1991	14.01.1991	17.07.2008
6.	Experience	41 Years	40 Years	18 Years
7.	Remuneration (Rupees)	36,11,782	23,39,372	28,87,497
8.	Particulars of last employment			
a)	Employer	Business	Business	Business
b)	Last post			
c)	No. of Years			

1.	Name	Kapil J. Pathare	Satish B. Samant
2.	Age	30 Years	57 years
3.	Qualification	B.Com, MBA	B.Com, CA, LLM
4.	Designation	Whole time Director	President
5.	Date of commencement of employment	01.07.2003	14.01.1991
6.	Experience	6 Years	33 Years
7.	Remuneration (Rupees)	23,08,287	27,98,376
8.	Particulars of last employment		
a)	Employer	Business	a) Reliance Ind. Ltd.
b)	Last post		b) Executive of special Assignment
c)	No Of Years		c) Three Years

* Mr.L. Jaipal Reddy, Managing Director of the Company, has resigned from the office of directorship with effect from 17th July, 2008

** Mr.Sunil J Pathare, was appointed as Vice Chairman & Managing Director w.e.f. 17th July, 2008.

CORPORATE GOVERNANCE

Maxwell Industries Ltd is committed to corporate transparency and lays emphasis, on business ethics, in all its dealings. The Company believes, in meeting its obligations to all its shareholders, customers, employees and the community in which the Company operates.

Corporate Governance is a process, that aims to meet, shareholders aspirations and social expectations. It's not a discipline, imposed by a regulator, rather a culture that guides the Board, Management and Employees to function towards the best interest of shareholders.

The Board of Directors has been constituted, in compliance with the Companies Act, 1956 and the Listing agreement with the stock exchanges. The Board functions either as a full Board or through its committees. The Company's Executive provides the Board with reports on the performance of the Company.

Your Directors are happy to inform you, that your Company's existing practices and policies, are in conformity with the requirements stipulated by the Stock Exchanges and SEBI and have gone well beyond simple statutory compliance, by instituting such systems and procedures, as are required to make the Management completely transparent and institutionally sound.

Board of Directors

The Board of Directors along with its committee, provides direction and vision on the functioning of the Company. The composition of the Board, is governed by the listing agreement, the Companies Act and the Articles of Association. The Board is represented by a Chairman, Vice Chairman & Managing Director and a whole time Director representing the Promoter Group and 7 independent Directors. The Managing Director & Whole time Directors are being paid remuneration, while the other Directors, are being paid sitting fees, for attending the Board Meeting as fixed by the Board.

The gap between 2 Board Meeting does not exceed more than 4 months. Leave of absence have been granted as and when requested. All Directors have made necessary disclosures regarding committee positions. The Board met Five times during the last financial year on 15.5.08, 30.6.08, 17.7.08, 24.10.08 and 23.01.09. The last AGM was held on 29th August, 2008.

COMPOSITION OF BOARD AND ATTENDANCE RECORD

Name of Director	Category	No. of other directorships/ Board Committees	No. of Board Meetings attended	Attendance at the last AGM held on August 29, 2008
Shri. J. K. Pathare	Chairman, Promoter	4	5	Yes
Shri L. Jaipal Reddy +	Managing Director, Promoter	7	1	No
Shri L. Vinay Reddy ++	Director, Promoter	13	1	No
Shri. Sunil J Pathare+++	Vice Chairman & Managing Director, Promoter	5	5	Yes
Shri . Kapil Pathare	Whole time Director, Promoter	2	5	Yes
Shri. R. Anand	Independent Director	6	0	Yes
Dr. Arvind Kulkarni	Independent Director	0	4	Yes
Shri Durgesh Chandra	Independent Director	0	4	Yes
Shri Gopal Sehgal	Independent Director	1	4	Yes
Shri Chetan Sheth	Independent Director	2	4	Yes
Shri Robin Banerjee	Independent Director	0	4	Yes
Shri Deepak Maheshwari *	Independent Director	2	5	No
Shri Manish Chhajer**	Independent Director	2	0	No

+ Shri L. Jaipal Reddy, Managing Director was resigned w.e.f. 17th July, 2008

++ Shri L. Vinay Reddy, Director was resigned w.e.f 30th June, 2008.

+++ Shri Sunil J Pathare, was appointed as Vice Chairman & Managing Director w.e.f. 17th July, 2008

* Shri Deepak Maheshwari representative of Reliance Capital Partners was appointed as a Director of the Company, resigned with effect from 19th May, 2009.

** Shri Manish Chhajer representative of M/s. Reliance Capital Partners appointed as an Additional Director of the Company W.e.f. 19th May, 2009 in place of Shri Deepak Maheshwari.

REMUNERATION OF DIRECTORS

(Figures in Lakhs)

Director	Relationship with other Director/s	Business Relationship with the company	Sitting Fees	Salary/ Perquisites	Commission	Total
Shri. J. K. Pathare, Chairman	Father of Shri. Sunil J. Pathare & Shri. Kapil J. Pathare	Promoter	N.A.	36.12	5.99	42.11
Shri L. J. Reddy + Managing Director	Father of Shri. L. Vinay Reddy	Promoter	N.A.	23.39	1.77	25.66
Shri L. Vinay Reddy ++	Son of Shri. L. Jaipal Reddy	Promoter	0.025	N.A.	N.A.	0.025
Shri Sunil J Pathare +++ Mg. Director	Son of Shri.J.K Pathare	Promoter	0.075	28.87	4.21	33.08
Shri Kapil Pathare Director	Son of Shri.J. K .Pathare	Promoter	N.A.	23.08	N.A.	23.08
Shri R. Anand Director	None	None	Nil	N.A.	N.A.	Nil
Dr. Arvind Kulkani Director	None	None	0.10	N.A.	N.A.	0.10
Shri Durgesh Chandra Director	None	None	0.10	N.A.	N.A.	0.10
Shri Gopal Sehjpal Director	None	None	0.10	N.A.	N.A.	0.10
Shri Chetan Sheth Director	None	None	0.10	N.A.	N.A.	0.10
Shri Robin Banerjee Director	None	None	0.10	N.A.	N.A.	0.10
Shri. Deepak Maheshwari * Director	None	None	0.125 #	N.A.	N.A.	0.125
Shri. Manish Chhajer** Director	None	None	0.00 #	N.A.	N.A.	0.00

+ Shri L. Jaipal Reddy, Managing Director was resigned w.e.f. 17th July, 2008.

++ Shri L. Vinay Reddy, Director was resigned w.e.f 30th June, 2008.

+++ Shri Sunil J Pathare, was appointed as Vice Chairman & Managing Director w.e.f. 17th July, 2008.

* Shri Deepak Maheshwari representative of M/s. Reliance Capital Partners was appointed as a Director of the Company, resigned with effect from 19th May, 2009.

** Shri Manish Chhajer representative of M/s. Reliance Capital Partners appointed as an additional Director of the Company w.e.f 19th May, 2009 in place of Shri Deepak Maheshwari.

sitting fees paid to Reliance Capital Partners

Audit Committee

- A) Constitution of Audit Committee :- The Audit Committee comprises of four members out of them three are non-executive Independent Directors and one Executive Director.
- B) Composition of Audit Committee and number of meetings attended :- During the financial year audit committee met four times on 30.06.08, 17.07.08, 24.10.08 and 22.01.09. The composition of Audit Committee and the number of meetings attended were as under:

Name	Designation	Status	No. of committee meeting attended
Shri. Gopal Sehjpal	Chairman	Independent Director	3
Dr. Arvind Kulkarni	Member	Independent Director	4
Shri. Sunil. J. Pathare	Member	Promoter Director	4
Shri. Chetan Sheth	Member	Independent Director	3

Maxwell Industries Ltd.

The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Stock Exchanges and Section 292A of the Companies Act 1956 and inter alia briefly includes the following:

- To review compliance with internal control systems;
- To hold periodic discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control systems and observation of the auditors;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company;
- Recommending to the Board, the appointment, re-appointment and if required the replacement and removal of Statutory Auditors and fixation of Audit fees.

Investors Grievance Committee

- Constitution of Investors Grievance Committee:-The Investors Grievance Committee comprises of four members out of whom three are non-executive Independent Directors and one Executive Director.
- Composition of Investors Grievance Committee and number of meetings attended:- The Investor Grievance committee met Four times during the last financial year on 30.06.08, 17.07.08, 24.10.08 and 22.01.2009. The composition of Investors Grievance Committee and the number of meetings attended were as under:

Name	Designation	Status	No. of committee meeting attended
Dr. Arvind Kulkarni	Chairman	Independent Director	4
Shri. Durgesh Chandra	Member	Independent Director	4
Shri. Sunil. J. Pathare	Member	Promoter Director	4
Shri. Gopal Sehgal	Member	Independent Director	3

The Company's Registrar and transfer agent, M/s. Link Intime India Pvt Ltd. Is also appointed to attend the investors' grievances. The Company Secretary is the compliance officer for the purpose, who interacts with the agency on the said matter and acts as Secretary of the committee. The shares of the Company are listed in Bombay Stock Exchange Limited and National Stock Exchange Limited and all the complaints received from the shareholders were resolved within the reasonable time.

General Body Meeting

The last three General Body Meetings of the Company (all held at The All India Plastic Manufacturers Association, MIDC, Andheri East, Mumbai) details of which are as under:-

Financial Year	Date	Time	Special Resolution if passed
2007-2008	29 th August, 2008	11.00 a.m	Yes
2006-2007	28 th December, 2007	11.00 a.m	No
2005-2006	28 th December 2007 *	10.30 a.m	No
2005-2006	25 th September 2006 **	11.30 a.m	Yes
2005-2006	15 th May 2006 (EGM)	12.00 noon	Yes
2005-2006	1 st February, 2006 (EGM)	12.00 noon	Yes

* Adjourned sine die and concluded on 28th December, 2007

** Conclusion of original AGM held on 25th September, 2006

Postal Ballot

No Special Resolution was required to be passed through postal ballot last year.

Disclosure

- The Company's transaction with related parties, as per requirement of Accounting Standard 18, are disclosed elsewhere in this Annual Report.
- The Company has not entered into any other transactions of material nature, with its promoters, Directors or the management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large.
- The Company has complied with the requirements of regulatory authorities on capital markets and no penalty / stricture was imposed on the Company during the last three years.
- The Company's financial statements are prepared as per Accounting Standard and the accounting principles generally accepted in India.

Maxwell Industries Ltd.

- Secretarial Audit was carried out by a qualified practicing Company Secretary to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued / paid up Capital is an agreement with the total number of dematerialized shares held with NSDL and CDSL.
- The Company has not implemented the Whistle Blower Policy which is a non-mandatory requirement under the code of the Corporate Governance.
- None of the Directors of the Company are disqualified as per provision of Section 274(1)(g) of the Companies Act, 1956.
- The Company has not accepted any public deposits during the year and no amount were outstanding as on 31st March 2009.

Means of Communication

The Company communicates with the shareholders through its Annual Report, General Meetings and disclosure through web site. Information, latest updates and announcement regarding the Company can be accessed at Company's website www.maxwell.in

The quarterly results are published in English and Marathi Newspapers. These results are submitted to the stock exchanges within the time specified. The quarterly results for the quarters of the last financial year was published in the below mentioned news papers on the following dates:

Quarterly Results	Newspaper	
	Economic Times	Maharashtra Times
30 th June, 2008	18 th July, 2008	18 th July, 2008
30 th September, 2008	25 th October, 2008	25 th November, 2008
31 st December, 2008	24 th January, 2009	24 th January, 2009
31 st March, 2009	1 st July, 2009	1 st July, 2009

General Shareholders information

- Annual General Meeting is proposed to be held on Thursday, 20th August, 2009 at 11.00 a.m. at **"The All India Plastics Manufacturers Association Auditorium"**, MIDC, Andheri (East), Mumbai.
- Financial Calendar : 1st April, 2009 to 31st March, 2010
- Quarterly Results : Results for quarter ending 30th June, 2009 - Last week of July, 2009
Results for quarter ending 30th September, 2009 - Last week of October, 2009
Results for quarter ending 31st December, 2009 - Last week of January, 2010
Audited Results for year ended 31st March, 2009- June, 2010
- Annual Results : June, 2010
- Book Closure : 13/08/09 to 20/08/09
(Both days inclusive)
- Dividend Payment : 25th August, 2009
- Registered office of the Company : C-6, Road No. 22, MIDC, Andheri (East)
Mumbai 400 093.
- Registrar & Transfer Agent : Link Intime India Pvt Ltd,
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai - 400 078.
- Listing of Equity Share : The Bombay Stock Exchange Limited (BSE)
The National Stock Exchange of India Limited (NSE)
- Stock code : 532613 (BSE)
MAXWELL (NSE)
- ISIN : INE450G01024

Stock Market Data:

Equity Shares:

Face value of share of Rs.2/- each

Month	*Bombay Stock Exchange (in Rs.)			*National Stock Exchange (in Rs.)		
	High	Low	Volume	High	Low	Volume
April 2008	22.20	16.00	642316	21.90	15.75	528558
May 2008	21.25	16.05	688238	22.90	16.55	728083
June 2008	19.05	13.25	335521	18.80	12.50	573852
July 2008	16.90	11.50	313662	17.50	11.20	188730
August 2008	31.50	16.50	5851029	32.40	16.00	4887659
September 2008	28.85	17.90	1163753	29.50	17.75	1230608
October 2008	18.60	13.35	406415	18.75	13.40	270845
November 2008	14.70	11.44	317802	14.55	11.55	290232
December 2008	13.87	11.20	183430	13.95	11.25	145986
January 2009	13.39	10.00	180139	12.85	9.65	144124
February 2009	11.35	9.11	183503	11.50	8.55	237666
March 2009	10.60	8.00	389323	10.50	8.00	411549

* Source : Website of Bombay Stock Exchange and National Stock Exchange Limited.

Distribution of Shareholders as on 31st March 2009

Slab of no of Shareholding	Shareholders	% of Shareholders	Amount (Rs.)	% of Amount
1-5000	5970	64.3319	1320075	2.0928
5001-10000	1345	14.4935	1168871	1.8531
10001-20000	1101	11.8642	1830548	2.9021
20001-30000	215	2.3168	551756	0.8747
30001-40000	171	1.8427	612994	0.9718
40001-50000	140	1.5086	657062	1.0417
50001-100000	174	1.8750	1298676	2.0589
100001 above	164	1.7672	55637233	88.2050
	9280	100.0000	63077215	100.0000

Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty

Period	% Change in		
	Maxwell Share Price	BSE Sensex	Maxwell Relative to Sensex
Year on year	0.37%	-37.94%	38.31%
2 Years	-8.31%	-25.73%	17.42%
3 Years	-8.79%	-13.93%	5.14%
4 Years	-9.25%	+49.53%	-58.78%

Share price performance relative to NSE Nifty based on the share price on 31st March 2009

Period	% Change in		
	Maxwell Share Price	NSE Nifty	Maxwell Relative to Nifty
Year on year	-1.10%	-36.19%	35.09%
2 Years	-	-	-
3 Years	-	-	-
4 Years	-	-	-

(Sources : compiled from data available on BSE & NSE website)

The Share of the Company got listed on NSE on 6th August, 2007.

Shareholding pattern as on 31st March, 2009

Category	No. of Share held	% to total
1. Indian Promoters & Person Acting in Concert	4,00,97,868	63.5695
Sub-total	4,00,97,868	63.5695
2.1 Mutual Funds & UTI	875	0.0014
2.2 Banks, FIs, Insurance Companies	Nil	Nil
2.3 FIs	212973	0.3376
Sub-total	213848	0.3390
3.1 Bodies Corporates	1,23,00,876	19.5013
3.2 Indian Public	1,00,09,732	15.8690
3.3 NRIs. / NRNs.	3,23,367	0.5127
3.4 Clearing Members	1,31,524	0.2085
Sub-total	2,27,65,499	36.0915
Grand Total	6,30,77,215	100.00

Dematerialization of Shares:

About 96.45% of the shares of the Company have been dematerialized as on March 31, 2009. The Company has entered into an agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) whereby shareholders can dematerialize their shares.

The equity shares of the Company are traded at Bombay Stock Exchange and National Stock Exchange.

Secretarial Audit Report for reconciliation of the share capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchange within the stipulated time.

No. of shares held in dematerialized and physical mode

	No. of Shares	% of total Shares issued
Holding in dematerialized form	6,08,35,293	96.45%
Holding in physical form	22,41,922	3.55%
Total	6,30,77,215	100%

The names and addresses of the Depositories are as under:

- | | |
|--|--|
| 1. National Securities Depository Ltd.
Trade World, 4 th Floor
Kamala Mills Compound
Senapathi Bapat Marg, Lower Parel,
Mumbai - 400013 | 2. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
28 th Floor, Dalal Street
Mumbai 400023 |
|--|--|

Share Transfer System

Application for transfer of shares held in physical form is received at the office of the Registrar and Transfer Agents of the Company. Investors Grievance Committee approves valid transfers of shares and share certificates duly endorsed are dispatched within the prescribed time.

Shares held in dematerialized form are electronically traded in the Depository. The Registrars and Share Transfer Agents of the Company periodically receive from these depositories, the beneficiary holdings so as to enable them to update the records and to send all corporate communications, dividend warrants etc.

Plant Locations of Maxwell Industries Ltd:

Factory Location	Activity
(I) Kolappalur Village, Gobichettipalayam Taluk, Erode, Tamil Nadu - 638 456	Spinning Mill
(ii) Plot no.13-15, SIPCOT Inds. Growth Centre, Perundurai- , Erode, Tamil Nadu - 638 052	Processing House
(iii) C 119, TTC Industrial Area, MIDC, Pawane Village, Navi Mumbai, Maharashtra - 400 703	Processing House
(iv) Plot No. 92/94, New GIDC, Umbergaon, Valsad, Gujarat - 396 171	Stitching Unit
(v) S. F. No. 125, 126 & 127, Appachimarmadam, Thingalur, Erode, Tamil Nadu - 638 055.	Stitching Unit
(vi) 105, SIDCO, Mudhalipalyam, Tirupur, Tamil Nadu - 641 606.	Elastic Unit
(vii)D-20, Okhla Industrial Area, Phase 1, New Delhi - 110 020.	Socks Unit

Investors Correspondence

Shareholders correspondence should be addressed to our Registrar & Transfer Agents at the following address:

M/s Link Intime India Pvt Ltd. : C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) Mumbai - 400 078.
Tel No. - 022 25963838, Fax No. - 022 25946969 Email : mt.helpdesk@linkintime.co.in

In case of difficulty, the investors are advised to correspond with the Company Secretary at the Registered Office of the Company at the following address:

Maxwell Industries Ltd.: C 6, Road No. 22, MIDC, Andheri (E), Mumbai 400093, Tel No. - 022 28257624,
Fax No. - 022 28371023, Email : investor.relations@viporg.com

ANNEXURE TO CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31st MARCH, 2009**DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT**

I, Jaykumar Pathare, Chairman of Maxwell Industries Limited, (“the Company”) hereby declare that, to the best of my information, all the Board members and Senior Management personnel of the Company have affirmed their compliance and undertaken to continue to comply with the code of conduct laid down by the Board of Directors of the Company for the Board members and Senior Management.

For **Maxwell Industries Limited**,

J. K. Pathare,
Chairman.

AUDITORS' CERTIFICATE

To The Members of
Maxwell Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Maxwell Industries Limited, for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Company and the Registrars and Share transfer agent of the Company have maintained the records of investor grievances and certified that as on 31st March, 2009 there were no investor grievances remaining unattended / pending.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Attar & Co.,
Chartered Accountants,

M.F. Attar,
Proprietor.
Membership No : 34977

Place: Mumbai
Dated : 30th June, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors presents hereunder an analysis of performance of the Company for the year 2008-09 and its outlook for the future.

Industry structure and developments

Market overview

2008 can be described as a watershed year in the world economy. Firstly it began with the sub prime crisis in America and within a few months, it snow balled to cover almost the entire world; India could not remain aloof from it. The Indian economy witnessed a down turn in 2008. The economy is estimated to grow at 6.5 to 7% in the financial year 2009-10, as against 8% in the previous year. The year also saw a period where inflation reached to its all time high of 12% but also cooled off sharply to 1.54% by the end of the financial year. The volatility of the world economy had its impact on the foreign currency market with Rupee depreciating to an all time high. All this had an effect on your Company's performance.

The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production and contributes to nearly 30% of the total exports. This industry is the second largest employment generator after agriculture. The textile policy of Government of India aims to achieve the target of textile and apparel exports of US \$ 50 billion by 2010 of which the share of garments will be US \$ 25 billion - this however may seem to be an ambitious target especially with recession in US and European markets. The main markets for Indian textiles and apparels are USA, UAE, UK, Germany, France, Italy, Russia, Canada, Bangladesh and Japan.

The slowdown in the Indian economy affected the innerwear segment. The innerwear segment, which is a part of textile industry also faced problems associated with the recessionary trends. The markets saw launch of many more international brands which seemed to be finding favour with the Indian consumers.

Financial Review

Please refer Board Report for operation-wise financial performance review.

Outlook and Opportunity

The outlook for textile industry in India is very optimistic. It is expected that Indian textile industry would continue to grow at an impressive rate. TUFs scheme has been one of the major driver in modernization. Though the domestic market has been growing marginally the export market has got hit by the economic meltdown in the west. Better operation, high level of quality control and cost reduction will ensure performance of the Company. Your Company is optimistic, that with the efforts in that direction it will be able to obtain better results.

Outlook on threats, risks and concerns

Tamil Nadu is one of the major consumer of cotton and producer of cotton products. The power situation in the state of Tamil Nadu has played havoc with the working of most of the textile units of that state resulting in substantially lower than 50% capacity. This has resulted in most of the textile units performing badly. The hosiery industry is going through a transformation with most of the units in the unorganized sectors consolidating themselves. The advent of new international brand has also had an impact. Your Company has been addressing these issues and have been taking course correction to handle the same.

Internal Control systems and adequacy

The Company's internal control systems are commensurate with the size of the company and nature of its business. It has well documented policies and procedures ensuring that all assets are safeguarded and protected against loss from unauthorized use or disposition, reducing wastage thereby ensuring accuracy and reliability of its financial information. The Board has also constituted an Audit Committee which meets periodically to review the financial performance and the internal control system. The Company has an internal audit system, in addition to the existing internal control procedure. The Company's internal control procedure are continuously reviewed to further extend and strengthen the same.

To further strengthen the Internal Audit process the company has decided to appoint M/s. Sharp & Tannan Associates, Chartered Accountants, as an internal Auditor of the Company.

Human Resource Development

Your Company believes that skill development is a vital component for Human Resource Development. It's a continuous process with training, serving as an interface in the assimilation of knowledge and skills. The Company continues to lay emphasis in nurturing and strengthening the overall development of the Human Resources and has always been recognizing the man power as a vital tool in the Company's growth. The human resource of the company is characterized by its loyalty and long-term association. HRD efforts thrive to attract best talent in the industry and retain them by improving quality and competitiveness through performance management system, training and other motivational tools.

Cautionary statement

Statement made in Management Discussion and analysis describing the company's expectation or projection may be forward looking within the applicable laws. Actual results could differ materially from those expressed or implied with the changes in Government Regulation, slowdown in Economic growth, commodity prices etc being important factors which could make a difference in the company's operations.

AUDITORS' REPORT

To the Members,
Maxwell Industries Limited,

We have audited the attached Balance Sheet of Maxwell Industries Limited as at 31st March 2009 and also Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance, about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act 1956, and on the basis of such checks of the books and records of the Company and according to information and explanations received by us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph (1) above,
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit & Loss account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
 - e) According to information and explanation given to us and on the basis of written representation from the Directors taken on record by the Board of the Directors, none of the Directors are disqualified as on 31st March, 2009 from being appointed as a Director under section 274 (1) (g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to explanations given to us, the accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view: -
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
 - ii) In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date.
 - iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Attar & Co.**
Chartered Accountants

M.F. Attar
Proprietor
Membership No.: 34977
Place: Mumbai.
Dated: 30th June, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date.)

- 1) In respect of it's fixed assets:
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.
 - b) Some of the Fixed Assets were physically verified by the Management during the year in accordance with program of verification, which in our opinion is reasonable. No material discrepancies were noticed on such physical verification.
 - c) In our opinion the Company has not disposed off substantial part of fixed assets during the year.
- 2) In respect of it's inventories:
 - a) As explained to us, inventory has been physically verified by the management at regular intervals during the year. In our opinion the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of Company and nature of its business.
 - c) On the basis of our examination of records of inventories, in our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compared to book records.
- 3) In respect of loan, secured or unsecured, taken from/granted to any Company, firm or other parties covered in register maintained u/s. 301 of the Companies Act, 1956.

According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies firms or others parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of the clause 4 (iii)(d), iii (e), (iii)(f) and (iii)(g) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit we have not observed any major weakness in internal control.
- 5) In respect of transactions covered u/s. 301 of the Companies Act 1956:-
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under Section 301 of Companies Act, 1956 have been so entered.
 - b) In our opinion, according to the information and explanations given to us, where such transactions are in excess of Rupees. Five lacs in respect of any party during the year, the transactions have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion, according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed thereunder.
- 7) We are informed that the Company has an internal audit system in addition to the existing internal control procedure. However we are of the opinion that the same need to be further extended and strengthened to make the same commensurate with the size of the Company and nature of the business.
- 8) We have broadly reviewed the books of account maintained by the Company in respect of it's spinning mill, pursuant to the rules made by the Central Government, prescribing the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and are being made. We have not however, made a detailed examination of the same with a view to determining whether they are accurate or complete.
- 9) In respect of statutory dues:-

According to the information and explanation given to us and records as produced and examined by us, in our opinion the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and

protection Funds, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues which have not been deposited on account of any dispute excepting those mentioned hereunder :

Forum where the dispute is pending	Name of the Statute	Rs In Lakhs	FY to which the amounts relate to
High Court of Chennai	Central Sales Tax	12.91	1999-00
Deputy Commercial Tax Office	Tamilnadu General Sales Tax	0.88	2000-01
High Court of Chennai	Central Sales Tax	195.76	2001-02
Deputy Commercial Tax Office	Central Sales Tax	13.30	2001-02
Deputy Commercial Tax Office	Tamilnadu General Sales Tax	5.43	2001-02
High Court of Mumbai	Income Tax Act	1,157.49	1992-01

- 10) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued debentures that were outstanding during the year.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The provisions of any special statute applicable to chit fund, nidhi, mutual benefit fund, societies are not applicable to the Company.
- 14) In our opinion the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were prima facie applied by the Company during the year for the purpose for which the loan was obtained.
- 17) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company we are of the opinion that funds raised on short term basis have prima facie not been used during the year for long term investment and vice versa. There are no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations.
- 18) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Companies Act, 1956 during the year.
- 19) According to the information and explanations given to us, and the records examined by us, the Company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices, and according to the information and explanations given to us. We have neither come across any instance of material fraud, on or by the Company, noticed or reported, during the year nor have we been informed of such case by the Management.

For **Attar & Co.**
Chartered Accountants

M.F. Attar
Proprietor
Membership No.: 34977
Place: Mumbai.
Dated: 30th June, 2009

ACCOUNTING POLICIES

A) Basis of preparation of financial statements:

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and comply with the mandatory accounting standards and statement issued by Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.

All amounts in financial are presented in Rupees in lakhs except per share data or as otherwise stated. Figures for the previous year have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current year.

B) Fixed assets and depreciation

- i) Fixed assets are valued at cost of acquisition /construction (including expenses /interest on borrowing, directly attributable to such asset, during construction period). Cost of acquisition is inclusive of freight, insurance, duties net of credits under CENVAT scheme, levies and all incidentals attributable to bringing the asset to its working condition.
- ii) Buildings, Plant & Machinery (except assets subject matter of impairment) and other assets, including intangible assets are depreciated over their estimated useful lives or lives derived from the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, except for assets costing less than Rs. 5000/- which are fully depreciated in the year of acquisition.
- iii) Assets subject to impairment, on the asset's revised carrying amount, over its remaining useful life.

C) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments are stated at cost less provision for diminution other than temporary, if any in the value of such investments. Current investments are valued at lower of cost or market value.

D) Foreign Currency Transactions:

- i) Initial Recognition.
Transactions in foreign currencies are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.
- ii) Conversion
Foreign currency monetary items are reported using the closing rate. Non- monetary items are reported using the exchange rate at the date of transaction.

In respect of transactions covered by forward exchange contracts premium or discount being the difference between the forward rate and the exchange rate on the date of the transaction is recognized as income or expense over the life of the contract.
- iii) Exchange difference
Transactions not covered by forward contracts and outstanding at year end are translated at exchange rates prevailing at the year end and the profit / loss so determined is recognized in the Profit and Loss Account.

E) Inventories :

- i) Cost of Inventories has been computed to include all cost of Purchases. Cost of Conversion and other costs incurred in bringing the inventories to their present location.
- ii) Raw materials and components, Stores and Spares are valued at cost. The cost are ascertained using the weighed average method, except incase of slow moving and obsolete material , at lower of cost or estimated realizable value.
- iii) Work-in-progress and finished goods are valued at lower of cost or realizable value.
- iv) Scrap is valued at estimated realizable value.
- v) Goods in transit are stated at actual cost upto the Balance Sheet.

F) Revenue recognition

- i) Revenue from sale of products are recognized on dispatch of goods, but net of incentives on sales including rebates & discounts.
- ii) Revenue from sale of scrap, interest subsidy on SIDBI TUFF loan is accounted on cash basis.
- iii) Income from Interest is recognized in the year in which it is accrued and stated at gross of tax deducted at source.
- iv) Rental income, from hiring of facilities is accounted in accordance with the terms and conditions agreed with the customer.
- v) Dividend is recognized when the right to receive the dividend is unconditionally established on the Balance Sheet date.

G) Borrowing cost

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss account. Borrowing cost comprises of interest and other cost incurred in connection with borrowing of funds.

H) Miscellaneous Expenditure (to the extent not written off or adjusted)

The balance under the head Miscellaneous Expenditure (to the extent to written off or adjusted) comprises of Advertisement & publicity expenses and preliminary expenses which are amortized over a period of 5 years.

I) Income Taxes

Tax expense comprise of current, deferred and fringe benefit tax.

- i) Current Income tax is determined based on the amount of tax payable in respect of taxable income for the year.
- ii) Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the tax rates enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realized.
- iii) Fringe Benefit Tax is provided on the aggregate amount of fringe benefit determined in accordance with the provisions of the relevant enactment at the specified rate of tax.

J) Retirement and Other Employee Benefits

Retirement benefits to employees are provided for by payments to Gratuity, Superannuation and Provident Funds. Retirement benefit in the form of provident fund /pension schemes are charged to Profit and Loss account of the year when the contributions to the respective funds are due.

i) Gratuity Plan

The Company has taken an insurance policy under the group gratuity scheme with Life Insurance Corporation of India to cover the gratuity liability of the employees of the Company. The liability for gratuity is provided for on the basis of actuarial valuation done at the end of the financial year.

ii) Leave Encashment

Liability for leave encashment is provided for on actuarial valuation done at the end of financial year.

Balance Sheet as at 31st March, 2009

(Rupees in Lakhs)

	Schedules	31.03.2009	31.03.2008
I. Sources of Funds			
Shareholders' Funds			
Share Capital	1	3,696.54	3,696.54
Reserves and Surplus	2	7,143.23	6,934.03
Loan Funds			
Secured Loans	3	6,081.87	6,455.35
Unsecured Loans	4	639.56	689.46
Deferred Tax Liability		1,063.98	1,005.82
		18,625.18	18,781.20
II. Application of Funds			
Fixed Assets			
Gross Block	5	13,388.67	13,353.40
Less : Depreciation		5,461.04	5,058.46
Net Block		7,927.63	8,294.94
Investments	6	1.22	1.45
Current Assets, Loans and Advances			
Inventories	7	7,340.35	7,061.46
Sundry Debtors	8	5,753.17	6,756.42
Cash and Bank Balances	9	236.09	278.39
Loans and Advances	10	945.43	740.72
		14,275.04	14,836.99
Less : Current Liabilities and Provisions			
Current Liabilities	11	2,857.14	3,591.43
Provisions		759.08	821.77
		3,616.22	4,413.20
Net Current Assets		10,658.82	10,423.79
Miscellaneous Expenditure (To the extent not written off or adjusted)	12	37.51	61.02
		18,625.18	18,781.20

As per our report of even date
For Attar & Co.
Chartered Accountants

For and on behalf of the Board

M. F. Attar
Proprietor
Membership No.: 34977
Place: Mumbai.
Dated: 30th June, 2009

R. Venkataraman
Vice President-Finance
& Company Secretary

Sunil Pathare
Vice Chairman &
Managing Director

J. K. Pathare
Chairman

Kapil Pathare
Whole Time Director

Profit and Loss Account for the year ended on 31st March, 2009

(Rupees in Lakhs)

	Schedules	31.03.2009	31.03.2008
Income			
Sales		19,189.65	20,558.63
Increase / (Decrease) in Stocks	13	420.27	45.57
Other Income	14	207.62	176.58
		19,817.54	20,780.78
Expenses			
Cost of goods Consumed / Sold	15	10,551.43	11,197.64
Employees Remuneration and Benefits	16	969.98	840.64
Managerial Remuneration		123.44	99.90
Manufacturing and Other Expenses	17	4,375.94	4,237.24
Selling and Distribution Expenses	18	737.30	620.79
Advertisement Expenses		661.82	1,155.91
Interest	19	829.20	587.88
Deferred Expenses written off		23.51	47.76
Depreciation		442.84	408.59
		18,715.46	19,196.35
Profit Before Tax		1,102.08	1,584.43
Less : Provision for Taxation - Current Tax		(316.42)	(347.22)
- Deferred Tax		(58.16)	(206.16)
- Fringe Benefit Tax		(19.01)	(24.68)
Profit After Tax		708.49	1,006.37
Add/(Less) : Tax Adjustment for earlier years		(61.64)	16.37
		646.85	1,022.74
Add : Surplus brought forward		294.49	1,629.11
		941.34	2,651.85
Appropriations			
Transfer to General Reserve		49.00	163.82
Transfer to Capital Redemption Reserve		0.00	1,600.00
Proposed Dividend			
Preference Share Capital		121.75	121.75
Equity Share Capital		252.31	283.85
Preference dividend on OCPS - Redeemed		0.00	101.70
Corporate dividend tax		63.59	86.24
		486.65	2,357.36
Balance Carried to Balance Sheet		454.69	294.49
Basic and Diluted EPS (in Rs.) (F.V. Rs. 2/-)		0.80	1.21
Notes on Accounts and Additional Information	20		

As per our report of even date
For Attar & Co.
Chartered Accountants

For and on behalf of the the Board

J. K. Pathare
Chairman

M. F. Attar
Proprietor
Membership No.: 34977
Place: Mumbai.
Dated: 30th June, 2009

R. Venkataraman
Vice President-Finance
& Company Secretary

Sunil Pathare
Vice Chairman &
Managing Director

Kapil Pathare
Whole Time Director

Cash Flow Statement for the year ended on 31st March, 2009

(Rupees in Lakhs)

	31.03.2009	31.03.2008
A. Cash Flow From Operations		
Net Profit before Tax & Extraordinary Items	1,102.08	1,584.43
Add :		
1) Depreciation	442.84	408.59
2) Preliminary Expenses	23.51	47.76
3) Interest	829.20	587.88
4) (Profit)/Loss on Sale of Assets (Net)	11.72	4.00
5) Insurance Claim	(6.03)	(1.96)
6) Other Income	(96.16)	(43.89)
7) Interest Received	(20.42)	(14.97)
8) Rent Received	(0.75)	(0.75)
9) Duty Drawback	(83.64)	(115.00)
10) Provision for Diminution in value of investments	0.00	5.48
	1,100.27	877.14
Operating Profit before Working Capital Changes	2,202.35	2,461.57
Adjusted for :		
(Increase)/Decrease in Trade Receivables	1,003.25	(921.82)
(Increase)/Decrease in Inventories	(278.89)	(1,400.34)
(Increase)/Decrease in Other Receivables	(207.03)	25.74
Increase/(Decrease) in Trade Payables	(717.85)	(147.84)
Increase/(Decrease) in Other Liabilities	(25.10)	213.44
(Increase)/Decrease in Working Capital	(225.62)	(2,230.83)
Cash Generated from Operations	1976.73	230.75
Less :		
Direct Taxes Paid	(420.54)	(307.92)
Net cash before extraordinary items	1,556.19	(77.17)
Extraordinary items		
Insurance Claim	6.03	1.96
Duty Drawback	83.64	115.00
Net cash provided by operating activity (A)	1,645.86	39.79
B. Cash Flow from Investing Activity		
Purchase of Fixed Assets	(88.62)	(1,533.06)
Sale of Fixed Assets	1.37	13.17
Addition to Investments		(0.03)
Sale of Investments	0.23	0.13
Interest Received	20.42	14.97
Rent Received	0.75	0.75
Other Income	96.16	43.89
Loan to Companies	0.00	1,464.00
Net cash provided by investment activity (B)	30.31	3.82

Cash Flow Statement for the year ended on 31st March, 2009

(Rupees in Lakhs)

	31.03.2009	31.03.2008
C. Cash Flow from Financing		
Redemption of Optional Convertible Preference Shares	0.00	(1,600.00)
Proceeds from Borrowing		
Secured Loans		
Bank Overdraft	631.07	752.15
Loan from SIDBI	(151.60)	243.66
Medium Term Loan from Bank	(852.95)	1,752.03
Unsecured Loans		
Deferred Sales Tax	(27.66)	(13.76)
From Others	(22.55)	0.00
Security Advances	0.31	(13.51)
Interest		
Bank	(636.45)	(357.75)
Others	(192.75)	(230.13)
Dividend paid (Equity & Preference)	(396.94)	(407.50)
Dividend Tax Paid	(68.95)	(64.18)
Net cash in finance activity	(C)	
	(1,718.47)	61.01
Net Increase in Cash & Cash Equivalents	(A+B+C)	
	(42.30)	173.78
Cash & Cash Equivalents at the end of the year	236.09	278.39
Closing Balance	(42.30)	104.61

As per our report of even date
For Attar & Co.
Chartered Accountants

For and on behalf of the Board

J. K. Pathare
Chairman

M. F. Attar
Proprietor
Membership No.: 34977
Place: Mumbai.
Dated: 30th June, 2009

R. Venkataraman
Vice President-Finance
& Company Secretary

Sunil Pathare
Vice Chairman &
Managing Director

Kapil Pathare
Whole Time Director

Schedules to the accounts for the period ended on 31st March, 2009

(Rupees in Lakhs)

	31.03.2009	31.03.2008
SCHEDULE '1' SHARE CAPITAL		
Authorised		
Equity :		
15,00,00,000 Ordinary Shares of Rs. 2/- each	3,000.00	3,000.00
Preference :		
45,00,000 Preference Shares of Rs. 100/- each	4,500.00	4,500.00
	7,500.00	7,500.00
Issued, Subscribed and Paid up :		
6,30,77,215 Ordinary Shares of Rs. 2/- each fully paid up	1,261.54	1,261.54
Note : 3,57,50,000 Ordinary Shares of Rs. 2/- each allotted as fully paid Bonus Shares by way of Capitalisation of Share Premium.		
5% 24,35,000 Redeemable Preference Shares of Rs. 100/- each fully paid up redeemable after 10 years with an option of the Company to redeem at the end of 8 th , 9 th and 10 th year in 3 equal installments	2,435.00	2,435.00
	3,696.54	3,696.54
SCHEDULE '2' RESERVES AND SURPLUS		
Securities Premium Account		
As per last Balance Sheet	3,859.54	3,859.54
	(A)	3,859.54
General Reserve		
As per last Balance Sheet	1,180.00	1,016.18
Add : Transferred from Profit & Loss account	49.00	163.82
	(B)	1,229.00
Capital Redemption Reserve Account		
As per last Balance Sheet	1,600.00	0.00
Add:- Transferred from Profit and Loss account	0.00	1,600.00
	(C)	1,600.00
Profit and Loss Account		
	(D)	454.69
	(A+B+C+D)	7,143.23
SCHEDULE '3' SECURED LOANS		
a) Term Loans	1,652.75	2,657.30
b) Cash Credit	4,429.12	3,798.05
	6,081.87	6,455.35
SCHEDULE '4' UNSECURED LOANS		
Security Advances	276.27	275.96
Deferred Sales Tax Loan	330.13	357.79
Loan from others	33.16	55.71
	639.56	689.46

Schedules to the accounts for the period ended on 31st March, 2009

SCHEDULE '5' FIXED ASSETS

(Rupees in Lakhs)

Name of the Asset	Gross Block				Depreciation Block				Net Block	
	Op.Bal 01.04.08	Additions/ Branch Transfers	Deduc- tions/ Branch Transfers	Total 31.03.09	Op. Bal 01.04.08	Depre- ciation for the year	Deduc- tions/ Adjst- ments	Total 31.03.09	As at 31.03.09	As at 31.03.08
Owned Assets										
Goodwill & Other Rights on Acquisition	1,258.21	0.00	0.00	1,258.21	0.00	0.00	0.00	0.00	1,258.21	1,258.21
Land	301.56	0.00	0.00	301.56	0.00	0.00	0.00	0.00	301.56	301.56
Buildings	429.14	0.00	0.00	429.14	75.28	7.63	0.00	82.91	346.23	353.86
Factory Buildings	2,875.12	20.21	0.00	2,895.33	369.83	75.2	0.00	445.03	2,450.30	2,505.28
Furniture & Fixtures	265.76	10.10	9.47	266.39	114.48	16.18	7.94	122.72	143.67	151.28
Office Equipments	94.39	1.66	1.91	94.14	50.14	5.82	1.27	54.69	39.45	44.26
Plant & Machinery	7,219.82	30.47	24.06	7,226.23	3,846.97	295.88	16.25	4,126.60	3,099.63	3,372.85
Vehicles	197.97	13.12	12.76	198.33	63.61	17.08	10.02	70.67	127.66	134.35
Electrical Installations	503.67	0.72	2.22	502.17	385.09	9.3	2.22	392.17	110.00	118.57
Boilers	48.32	0.00	0.00	48.32	31.63	3.59	0.00	35.22	13.10	16.68
Effluent Treatment Plant	13.76	0.00	0.00	13.76	8.91	1.02	0.00	9.93	3.83	4.85
Computer Systems	145.68	12.34	2.93	155.09	112.52	11.14	2.56	121.10	33.99	33.18
Total	13,353.40	88.62	53.35	13,388.67	5,058.46	442.84	40.26	5,461.04	7,927.63	8,294.94
Previous Year	10,298.69	3,092.32	37.61	13,353.40	4,670.31	408.59	20.44	5,058.46	8,294.94	5,628.38

(Rupees in Lakhs)

	31.03.2009	31.03.2008
SCHEDULE '6' INVESTMENT		
Long term - Quoted		
100 Shares in N. K. Industries Ltd. of Rs. 10 each at a premium of Rs. 30 each fully paid [Market Value of Rs. 0.02 (Previous Year Rs. 0.01)]	0.04	0.04
21,900 Shares in Kripa Chemicals Ltd. of Rs. 10 each [Market Value of Rs. 0.45 (Previous Year Rs. 0.45)]	5.48	5.48
	5.52	5.52
Less : Provision for Diminution in Value of Investments	5.48	5.48
	0.04	0.04
Government Securities (Deposited with Sales Tax Authorities)		
Kisan Vikas Patra	0.03	0.06
National Saving Certificate	1.15	1.35
	1.22	1.45
SCHEDULE '7' INVENTORIES		
(At cost or market value whichever is lower as Certificate by the Management)		
Raw Materials	3,053.19	3,194.57
Work In Progress	1,759.79	1,348.83
Finished Goods	2,527.37	2,518.06
	7,340.35	7,061.46

Schedules to the accounts for the period ended on 31st March, 2009

(Rupees in Lakhs)

	31.03.2009	31.03.2008
SCHEDULE '8' SUNDRY DEBTORS		
Unsecured and considered good,		
(a) Outstanding for a period exceeding six months	920.40	1,674.80
(b) Others	4,832.77	5,081.62
	5,753.17	6,756.42
SCHEDULE '9' CASH AND BANK BALANCES		
Cash on hand	4.75	20.83
Balances with Scheduled Banks		
On Fixed Deposit Account	64.05	60.10
On Current Account	152.12	190.95
On Unclaimed Dividend Account (As per Contra)	15.17	6.51
	236.09	278.39
SCHEDULE '10' LOANS AND ADVANCES		
(Unsecured and considered good)		
Sundry Deposits	194.04	170.59
Other Advances	751.39	570.13
	945.43	740.72
SCHEDULE '11' CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	2,841.97	3,584.92
Unclaimed Dividend (As per Contra)	15.17	6.51
	(A) 2,857.14	3,591.43
Provisions		
Provision for Income Tax and Fringe benefit Tax	321.43	347.22
Proposed Dividend - Preference Share Capital	121.75	121.75
- Equity Share Capital	252.31	283.85
Corporate Dividend Tax	63.59	68.95
	(B) 759.08	821.77
	(A+B) 3,616.22	4,413.20
SCHEDULE '12' MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	37.51	61.02
	37.51	61.02
SCHEDULE '13' INCREASE / DECREASE IN STOCKS		
Closing Stocks		
Work in Progress	1,759.79	1,348.83
Finished Goods	2,527.37	2,518.06
	(A) 4,287.16	3,866.89
Less : Opening Stocks		
Work in Progress	1,348.83	1,504.15
Finished Goods	2,518.06	2,317.17
	(B) 3,866.89	3,821.32
	(A-B) 420.27	45.57

Schedules to the accounts for the period ended on 31st March, 2009

(Rupees in Lakhs)

	31.03.2009	31.03.2008
SCHEDULE '14' OTHER INCOME		
Interest	20.42	14.97
Rent	0.75	0.75
Profit on Sale of Assets	0.62	0.01
Duty Drawbacks	83.64	115.00
Insurance Claim	6.03	1.96
Others	96.16	43.89
	207.62	176.58
SCHEDULE '15' COST OF GOODS CONSUMED / SOLD		
Opening Stock	3,194.57	1,839.79
Add : Purchases	10,410.05	12,552.42
	13,604.62	14,392.21
Less : Closing Stock	3,053.19	3,194.57
	10,551.43	11,197.64
SCHEDULE '16' EMPLOYEES REMUNERATION AND BENEFITS		
Salaries, Wages & Bonus	747.96	672.93
Contribution to Provident and other funds	80.01	77.16
Welfare Expenses	92.68	68.51
Gratuity Benefits	49.33	22.04
	969.98	840.64
SCHEDULE '17' MANUFACTURING AND OTHER EXPENSES		
Processing and Labour Charges	3,220.26	3,184.92
Rent	105.72	123.19
Rates & Taxes	11.46	3.66
Insurance	57.41	39.31
Electricity Charges	25.00	35.49
Legal and Professional Charges	110.17	122.48
General Expenses	93.67	102.93
Motor Car Expenses	47.66	41.36
Conveyance Expenses	48.04	16.77
Travelling Expenses	194.38	184.92
Printing & Stationery	28.43	24.73
Postage & Telephone	56.54	66.67
Repairs & Maintenance		
- Building	10.04	6.59
- Machinery	39.89	30.96
- Others	70.55	55.31
Bank Charges	132.46	80.43
Exchange Loss	102.93	104.51
Loss on Sale / Discard of Assets	12.34	4.02
Audit Fees	8.99	8.99
	4,375.94	4,237.24
SCHEDULE '18' SELLING AND DISTRIBUTION EXPENSES		
Freight, Delivery etc.	389.17	360.77
Sales Tax and Other Overheads	148.67	152.54
Bad- Debts written off	104.76	0.00
Sales promotion expenses	94.70	107.48
	737.30	620.79
SCHEDULE '19' INTEREST		
Bank	636.44	357.76
Others	192.76	230.12
	829.20	587.88

1. a) Working Capital borrowing from bank are secured by hypothecation of Company's entire stock of raw materials (imported and indigenous), stocks in process, finished goods and goods in transit covered by documents of title to goods, book debts and further collaterally secured by way of first charge on land and building, plant and machinery, furniture & fixture and electrical equipments of the Company's units at TTC Turbhe (Navi Mumbai), Gobichettipalayam (Tamil Nadu) and Equitable Mortgage of land at Edayarpalayam (Tamil Nadu) and by way of second charge on land & building and plant & machinery at Umbergaon (Gujarat), Perundurai (Tamil Nadu) and Term Deposit with Bank of Rs. 58 Lakhs and by way of personal guarantees of promoter directors.
 - b. Term Loan from SIDBI are secured by first charge by way of hypothecation of all the movables including plant, machinery and equipments at Umbergaon (Gujarat), Extension of first charge by way of mortgage on the Leasehold rights on immovable properties, present and future assets situated at Umbergaon (Gujarat) and Personal Guarantee of Promoter Directors.
 - c. Term loan from Barclays Bank is secured by way of first charge on land and building, plant and machinery, furniture and fixture and electrical equipments of the Company's units at Thingalur (Tamil Nadu) and by way of personal guarantees of promoter directors.
 - d. Short term loan (Buyers credit for import of raw material) from Standard Chartered Bank secured by subservient charge.
2. Cash Credit loan from State Bank of India of Rs. 4429.12 lakhs outstanding as on 31.03.2009.
 3. i) Payment against suppliers from small scale and ancillary undertaking are generally made in accordance with agreed credit terms.
ii) The Company has not received any intimation from "Suppliers" regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006 & hence disclosures if any relating to amounts paid as at year end together with interest paid / payable as required under the said Act have not been given.
 4. In the opinion of the Company, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of the business.
 5. Sundry Debtors and Sundry Creditors balances are subject to confirmation.

For and on behalf of the Board

J. K. Pathare
Chairman

M. F. Attar
Proprietor
Membership No.: 34977
Place: Mumbai.
Dated: 30th June, 2009

R. Venkataraman
Vice President-Finance
& Company Secretary

Sunil Pathare
Vice Chairman &
Managing Director

Kapil Pathare
Whole Time Director

ACCOUNTING STANDARD DISCLOSURES (Issued by Institute of Chartered Accountants of India)**6. AS 10 - ACCOUNTING FOR FIXED ASSETS:**

The Company Assets are capitalized on the date they were ready and put to use for commercial production. Depreciation on these assets under the Companies Act and Income Tax Act have been calculated accordingly.

7. AS-15 - EMPLOYEES BENEFIT:

The Company has classified the various benefits provided to employees as under:

Defined Contribution Plans:

The Company has recognized the following amounts in the Profit and Loss Accounts which are included under contribution to the Provident Fund and Other Funds:

Rupees in Lakhs

Particulars	31.03.2009	31.03.2008
Provident Fund & Employee Pension Scheme	71.50	67.26

Company employees are covered by the contribution of the company to Provident Fund Scheme and Employees Family Pension Schemes

DEFINED BENEFIT PLANS

Rupees in Lakhs

Particulars	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Current service cost	7.30	7.13	8.18	6.10
Interest cost	6.75	5.91	1.90	1.34
Expected return on plan assets	7.92	7.46	-	-
Net Actuarial (gain) / loss to be recognized	-7.81	4.58	9.75	2.28
Total expenses recognized in the statement of Profit & Loss Account	-1.69	10.16	19.82	9.72
Actual Contribution & Benefit Payments				
Actual Benefit Payments	-	12.08	2.56	7.09
Actual Contribution	6.83	2.22	-	-
Net Asset / (Liability) recognized in Balance Sheet				
Liability at the end of the year	90.58	84.35	34.05	16.79
Fair value of plan assets at the end of the year	101.15	86.40	-	-
(Net Asset)/ Liability recognized in the Balance Sheet	10.57	2.05	34.05	-16.79
Change in Defined Benefit Obligations (D.B.O.)				
Present value of D.B.O. at Beginning of Year	84.34	78.81	-	-
Interest Cost	6.75	5.91	-	-
Current Service Cost	7.30	7.12	-	-
Benefits Paid	0	12.08	-	-
Actuarial (Gain)/ Losses on Obligations	-7.81	4.58	-	-
Present Value of D.B.O. at the End of Year	90.58	84.35	-	-
Change in Fair Value of Plan Assets during the year				
Planned assets at Beginning of the year	86.40	88.79	-	-
Expected return on planned assets	7.92	7.46	-	-
Contributions	6.83	2.22	-	-
Benefit paid	0	12.08	-	-
Actuarial gain / (loss) on plan assets	-	-	-	-
Fair value of plan assets at the end of the year	101.15	86.40	-	-
Defined benefit plan - Gratuity Assumptions				
Discount rate	8%	8%	8%	8%
Salary Escalation Rate	4%	4%	4%	4%
Rate of return on plan assets	8%	8%	8%	8%

8. AS-17 - SEGMENT REPORTING:

The segments are identified based on the dominant source and nature of risks and returns and the internal organization and management structure. Inter segment revenue is accounted on the basis of transactions which are primarily market led. Unallocated Corporate Expenses include revenue and expenses which relate to the enterprise as a whole and are not attributable to the segments.

		Rupees in Lakhs	
Sr. No.	Particulars	2008-09	2007-08
1	Segment Revenue		
	a) Hosiery and Others	18550.82	18106.59
	b) Spinning Mill	2490.79	4006.38
	Total	21041.61	22112.97
	Less:		
	Inter Segment revenue	1851.96	1554.35
	Sales / Income form Operations	19189.65	20558.62
2	Segment Results		
	[Profit / (Loss)before tax and interest from each segment]		
	a) Hosiery and Others	2713.72	2495.09
	b) Spinning Mill	17.36	325.99
	Total	2731.08	2821.09
	Less:		
	i) Interest	829.20	587.88
	ii)Other un-allocable expenditure net unallocable income	799.80	648.78
	Total Profit Before Tax	1102.08	1584.42
3	Capital Employed (Segment Asset- Segment Liabilities) (Based on estimates in terms of available data)		
	a) Hosiery and Others	16455.87	15854.25
	b) Spinning Mill	1067.81	1804.57

9. AS 18 RELATED PARTY:**A. List of Related Parties with whom the Company undertook transactions;**

- Group Concerns:** VIP Overseas Marketing Pvt. Ltd., Hybo Hindustan, Pako Hindustan, Pats Treasure.
- Directors and other members of Promoter Group:** Shri J.K.Pathare, Shri Sunil J. Pathare, Smt Lalita J. Pathare, Shri Kapil J. Pathare, Shri J .K.Pathare HUF.

B. Details of transactions are as follows;

		Rupees in Lakhs	
Sr. No.	Type of Transaction	2008-09	2007-08
1	Sales to and recoveries	221.16	323.32
2	Purchases from and payments	219.87	1301.69
3	Remuneration / Sitting Fees to Directors	87.05	99.96

C. Outstanding balances

Rupees in Lakhs

Sr. No.	Type of Transaction	2008-09	2007-08
1	Dues to Company	594.75	1281.01
2	Payable by Company	72.21	402.38

10. AS-20 EARNINGS PER SHARE (EPS):

Rupees in Lakhs

Particulars	2008-09	2007-08
Net Profit After Tax	646.85	1022.74
Less:-Preference Dividend (including tax thereon)	142.45	261.44
Profit Available to Equity Shareholders	504.40	761.30
Weighted average no. of equity shares for basic EPS (Nos)	63077215	63077215
Nominal Value of equity shares	Rs.2/-	Rs.2/-
Basic earnings per equity share	Rs.0.80	Rs.1.21

11. AS-22 - ACCOUNTING FOR TAXES ON INCOME:

Rupees in Lakhs

Particulars	2008-09	2007-08
DEFERRED TAX LIABILITY:		
Difference between Book and Tax Depreciation	58.16	206.14
TOTAL DEFERRED TAX LIABILITY	58.16	206.14
TOTAL DEFERRED TAX ASSETS	0.00	0.00
DEFERRED TAX LIABILITY NET	58.16	206.41

12. AS-28- IMPAIRMENT OF ASSETS :

The Company's asset at TTC, Thane are in the process of being disposed off and are stated at realizable market value. As a cash generating unit the flows are expected to be positive over the useful life of the asset.

13. AS-29 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Liabilities

Rupees in Lakhs

Particulars	2008-09	2007-08
Guarantees given by Bank	33.94	236.77
Letter of Credits	274.39	10.06
Claims against the company not acknowledged as debts	0.00	116.50
Income Tax Liability in Appeal	1157.49	1157.49
Export obligations	381.86	112.67

14. Value of Imports on C.I.F. basis

Rupees in Lakhs

Particulars	2008-09	2007-08
Raw materials	411.21	921.33
Components and stores & Spares	3.18	1.12
Capital Goods	1.00	2.01

15. Expenditure in foreign currency

Rupees in Lakhs

Particulars	2008-09	2007-08
Travelling Expenses`	3.84	1.90
Commission on Export sales	12.41	22.19
Interest	0.00	0.02
Export Promotion	12.02	0.00
Quality Claim	4.00	3.03

16. Earnings in foreign currency

Rupees in Lakhs

Particulars	2008-09	2007-08
F.O.B value of exports	1405.33	2054.91

17. Remuneration to auditors

Rupees in Lakhs

Particulars	2008-09	2007-08
Audit Fees	8.44	8.44
Tax Audit	0.43	0.43
Retainer Fees	0.11	0.11
Reimbursement of expenses	0.90	0.00

18. Additional Information pursuant to the provisions of paragraphs 3 & 4 of Part II Schedule VI to the Companies Act, 1956.

Particulars	2008-09		2007-08	
	Quantity	Value	Quantity	Value
A) Licensed Capacity (Spinning Mill) Installed capacity (Spinning Mill)	26208 Spindles 26208 Spindles		26208 Spindles 26208 Spindles	
b) Quantitative information in respect of Sales & Closing Stocks (As certified by management)	Quantity	Value	Quantity	Value
I) Sales				
Hosiery (Boxes)	60.78	16187.31	60.11	15327.21
Yarn (Kgs)	6.38	638.83	19.00	2452.02
Fabric (Kgs)	2.70	376.50	3.08	416.34
Socks (Pieces)	49.64	999.13	58.76	1180.89
Fabric other(Kgs.)	13.15	914.46	17.28	1105.94
Elastics	38.36	72.60	0.00	0.00
Others	0.00	0.83	0.00	76.22
Total		19189.65		20558.62
ii) Closing Stocks				
Hosiery (Boxes)	10.83	2527.37	10.25	2255.19
Raw Material :				
Socks (Pieces)	11.48	233.39	14.05	262.87
Yarn (Kgs)	4.26	460.63	13.81	1429.59
Fabric	13.37	1723.02	8.43	1027.96
Elastics	79.39	221.37	135.91	285.41
Others - Packing Mat.	0.00	414.78	0.00	451.61
Total		5580.57		5712.63
iii) Finished Goods Purchased				
Hosiery (Boxes)	11.75	1714.53	11.13	1560.03
Socks (Pieces)	21.04	257.05	56.74	625.66
Total		1971.58		2185.69

19. Raw Material Consumption(Included in Cost of Goods Sold)

Rupees in Lakhs

Particulars	2008-09		2007-08	
	Quantity	Value	Quantity	Value
Fabric / Yarn (Kgs)	44.49	4767.57	38.36	4177.61
Elastics (Mtrs)	569.11	300.22	289.21	484.74
Cotton (Kgs)	22.10	1488.16	41.90	2320.03
Packing Material	0.00	1473.20	0.00	1354.27
Cloth (Mtrs)			0.00	0.00
Others	0.00	573.27	0.00	610.42
Total		8602.42		8947.07

20 Break up of Raw Materials Consumed

Rupees in Lakhs

Particulars	2008 - 09		2007 - 08	
	Percentage	Value	Percentage	Value
Imported	4.79	411.21	15%	1385.84
Indigenous	95.21	8191.22	85%	7561.23

21. Managerial remuneration Under Section 198 of the Companies Act, 1956 to the Managing Director & Whole time Director

Rupees in Lakhs

Particulars	2008- 09	2007-08
a) Remuneration	101.36	67.07
b) Contribution to Provident other funds	6.90	4.07
c) Perquisites	3.22	11.92
d) Commission	11.97	16.84
Total	123.44	99.90

22. Computation of Net Profit as per Sec 309(5) and Sec. 198 of the Companies Act.

Rupees in Lakhs

Particulars	2008- 09		2007- 08	
i) Profit before Tax as per P& L A/c		1102.05		1584.87
ii) Add:				
a) Depreciation as per books	442.84		408.49	
b) Directors Remuneration	83.06		83.06	
c) Directors Commission	11.97		16.84	
d) Profit /Loss on Sale of Fixed Assets	11.72	549.59	4.00	512.39
Total		1651.64		2097.26
iii) Less:				
a) Depreciation as per Sec. 350	442.84		408.59	
b) Loss on Sale of Fixed Assets as per Sec. 350	11.72	454.56	4.00	412.59
Total		1197.08		1684.67
Net Profit u/s 198/349 of the Companies Act 1956 . Commission to Managing Director & Whole Time Director @ 0.5% of the Net Profit to each		11.97		16.84

Previous Year's figures have been regrouped, reclassified and rearranged wherever necessary.

As per our report of even date
For Attar & Co.
Chartered Accountants

For and on behalf of the Board

J. K. Pathare
Chairman

M. F. Attar
Proprietor
Membership No.: 34977
Place: Mumbai.
Dated: 30th June, 2009

R. Venkataraman
Vice President-Finance
& Company Secretary

Sunil Pathare
Vice Chairman &
Managing Director

Kapil Pathare
Whole Time Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I) REGISTRATION DETAILS**

Registration No.	59804	State Code	11
Balance Sheet Date	31-03-2009		

II) CAPITAL RAISED DURING THE YEAR : (Amt. in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Amt. Rs. in thousands)

Total Liabilities	1862518	Total Assets	1862518
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Sources of Funds

Paid up Capital	369654	Reserves & Surplus	714323
Secured Loans	608187	Unsecured Loan	63956

Application of Funds

Net Fixed Assets	792763	Investments	122
Net Current Assets	1065882	Misc. Expenditure	3751
Accumulated Loss	NIL		

IV) PERFORMANCE OF COMPANY

Turnover	1918754	Total Expenditure	1871546
+Profit/-Loss before tax	110208	+Profit/-Loss after tax	64685
Earning per share	0.80	Dividend Rate	20.00%

V) GENERIC NAME OF TWO PRODUCTS / SERVICES OF COMPANY

(as per monetary items)

Item Code No. 600121.00

(ITC Code)

Product Description HOSIERY PRODUCTS

Item Code No. 510720.01

(ITC Code)

Product Description HOSIERY YARN

For and on behalf of the Board**J. K. Pathare**
Chairman**M. F. Attar**
Proprietor
Membership No.: 34977
Place: Mumbai.
Dated: 30th June, 2009**R. Venkataraman**
Vice President-Finance
& Company Secretary**Sunil Pathare**
Vice Chairman &
Managing Director**Kapil Pathare**
Whole Time Director

Maxwell Industries Limited

Registered Office: C-6, Road No. 22, M.I.D.C., Andheri (E), Mumbai – 400093

PROXY FORM

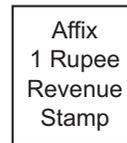
I/We..... being a member of the above named company, hereby appoint.....

or failing him..... of as my/our proxy to vote for me / us on my / our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on Thursday the 20th August,2009 at 11.00 am at "The All India Plastics Manufacturers' Association Auditorium,Plot No. A-52,Road Marol,Andheri (East), Mumbai -400093" and any adjournment therein.

Signed this.....

Registered Folio / D.P. & Client I. D. No.

No. of Equity shares held



Member's Signature

Note :

- i) Proxy need not be a member.
ii) The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the schedule time of the aforesaid meeting.



Maxwell Industries Limited

Registered Office: C-6, Road No. 22, M.I.D.C., Andheri (E), Mumbai – 400093

ATTENDANCE SLIP

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company held on Thursday, the 20th August,2009 at 11.00 am at "The All India Plastics Manufacturers' Association Auditorium,Plot No. A-52,Road Marol,Andheri (East), Mumbai -400093". and any adjournment therein.

Name:.....

Reference Folio / D.P. & Client I. D. No.

No. of Equity shares held.....

SIGNATURE OF THE ATTENDING MEMBER/PROXY

Note :

- i) Shareholder/ Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed and completed in Block letters.
ii) Shareholder/ Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.